

ENERGIO LIMITED
ACN 001 894 033

PROSPECTUS

For the offer of up to 1,000 Shares at an issue price of \$0.28 per Share to raise approximately \$280 (before expenses).

This Prospectus has been prepared primarily for the for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered under this Prospectus should be considered speculative.

TABLE OF CONTENTS

1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES.....	1
2. CORPORATE DIRECTORY	7
3. DETAILS OF THE OFFER	8
4. PURPOSE AND EFFECT OF THE OFFER.....	11
5. RIGHTS AND LIABILITIES ATTACHING TO SHARES.....	13
6. RISK FACTORS	15
7. ADDITIONAL INFORMATION	18
8. DIRECTORS' AUTHORISATION.....	23
9. DEFINITIONS	24
APPLICATION FORM.....	25

1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

Timetable and important dates*

Action	Date
Lodgement of Prospectus with the ASIC and ASX	20 November 2012
Opening Date	20 November 2012
Closing Date	5:00pm WST on 5 December 2012

*The Company reserves the right to extend the Closing Date or close the Offer early without notice, in its absolute discretion.

Important Notes

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisers. The Shares the subject of this Prospectus should be considered highly speculative.

This Prospectus is dated 20 November 2012 (**Prospectus**) and a copy of this Prospectus was lodged with the ASIC on that date.

The ASIC and ASX take no responsibility for the content of this Prospectus.

The expiry date of the Prospectus is 13 months after the date the Prospectus was lodged with the ASIC. No Shares will be allotted or issued on the basis of this Prospectus after the expiry date.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Risk Factors

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively manage them is limited.

Set out below are specific risks that the Company is exposed to. Further risks associated with an investment in the Company are outlined in Section 6.

- **Risks associated with operations in Nigeria:** The exploration licences of the Company are located in Nigeria. The Company will be subject to the risks associated with operating in that country, including various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalisation, renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, changes in taxation policies, application of taxation policy, restrictions on foreign exchange and repatriation of money and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining, fiscal or investment policies or shifts in political attitude in Nigeria may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, labour legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

Outcomes in courts in Nigeria may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company or its subsidiary in Nigeria.

- **The Nigerian Cadastre Office:** In addition to the above risk factors in relation to operations in Nigeria, there are also specific risks related to dealing with the relevant governmental authorities in Nigeria, being the Mining Cadastre Office, located in Abuja (**Cadastre**), which is a department within the Nigerian Ministry of Mines and Steel Development.

As explained in the Company's prospectus dated 14 December 2011, during the Company's due diligence process it was discovered that the respective Cadastral Units (**CU**: 1 Nigerian CU = 15" by 15" block), measurements and areal results for certain exploration licences held by KCM Mining Limited (incorporated in Nigeria and a wholly owned subsidiary of the Company), contained in the records of the Cadastre did not, in some instances, exactly correlate with the independent measurements and areal results taken by the independent geologist. It has transpired that in some instances the final geographical co-

ordinates ("**scratch co-ordinates**") of granted exploration licences differ from the geographical co-ordinates submitted with the exploration licence application.

Despite KCM Mining Limited representatives being in contact with the Cadastre about these inconsistencies, the differences in area of some of these exploration licences is yet to be finally resolved and liaison is ongoing to resolve these instances.

Whilst the Company has been issued with notification of grant letters for all of the granted licences from the Cadastre, and grant certificates for the majority of the licences that have been granted, including EL12124, the Company is yet to receive confirmation of the "scratch co-ordinates" for some of these granted licences. In recent months Cadastre has been streamlining its systems and making in-roads on a back-log of licence matters, and some of these issues are now beginning to be resolved

There remains a risk that the final granted geographical co-ordinates issued by the Cadastre for a particular exploration licence will differ from the geographic co-ordinates submitted at the time of licence application. In such circumstances, KCM Mining Limited will attempt to resolve the difference with the Cadastre, however there remains a risk that the Cadastre may not make adjustments to the exploration licences and that KCM Mining Limited may not receive title to the affected areas of the granted exploration licences.

- **Exploration, development, mining and processing risks:** The exploration licences of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of these licences, or any other licences that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, tribal and traditional ownership processes, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its licences and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the licences, a reduction in the base reserves of the Company and possible relinquishment of the licences.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can

be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

- **Future capital needs:** The Directors believe that upon the successful completion of the Placement, the Company will have sufficient funds to adequately fund the Company's near term planned exploration and metallurgical test work programs. However, future additional funding will be required by the Company in order to undertake additional exploration and various studies required to assess the viability of future development and possible mining operations. Failure to obtain sufficient financing for the Company's future activities may result in delay and indefinite postponement of exploration and development and even result in the loss of exploration licences. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.
- **Lack of executive management:** The Company's management currently consists of 1 executive and 5 non-executive Directors. The Board is aware of the need to have sufficient management to properly supervise the exploration and (if that exploration is successful) the development of the projects in which the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company.

To this end, the Company has identified positions that the Board is currently looking to fill at the operational and executive levels when and where appropriate to ensure proper management of the Company's projects. In the meantime, the current Board is confident that it has significant experience to cope and has ability to appoint appropriately experienced and qualified consultants to assist should this be deemed necessary.

However, there is a risk that the Company may not be able to secure personnel with the relevant experience at the appropriate time which may impact on the Company's ability to complete all of its preferred exploration and development programmes within its preferred timetable.

- **No geographic diversification:** The Company's projects are all located in Nigeria. Any circumstance or event which negatively impacts the ownership or development of these areas or which negatively affects Nigeria could materially affect the financial performance of the Company and more significantly than if it had a geographically diversified asset base.
- **Operating risk:** The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

- **Off take risk:** The Company does not have any committed off take agreements in place. In the event that the Company starts producing iron ore from one of its projects in the future, the Company may enter into off take transactions in order to fix or underpin the price for a portion of its production or for a particular type of iron ore. There is a risk that the Company may not be able to deliver physical production into committed off take agreements; if for example, there was a production stoppage. In that event the Company could be adversely affected if the price was to move unfavourably. In addition, there is a mark-to-market risk in respect of accounting for off take agreements that could adversely impact the Company's financial results.
- **Resource estimates:** The Company's mineral resources are estimates only and no assurance can be given that any particular recovery level of iron ore will in fact be realised. The Company's estimates comply with the JORC Code, 2004.

An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

- **HIV/AIDS:** In Nigeria, an estimated 3.6 per cent of the population are living with HIV and AIDS. Although HIV prevalence is much lower in Nigeria than in other African countries such as South Africa and Zambia, the size of Nigeria's population (around 149 million) means that by the end of 2009, there were approximately 3.3 million people living with HIV.

Approximately 220,000 people died from aids in Nigeria in 2009. With AIDS claiming so many lives, Nigeria's life expectancy has declined significantly. In 1991 the average life expectancy was 54 years for women and 53 years for men. In 2009 these figures had fallen to 48 for women and 46 for men.

The exact impact of increased mortality rates due to HIV/AIDS related deaths on the cost of doing business in Nigeria and the potential growth in the economy is unclear at this time although employee related costs in Nigeria could increase as a result of the HIV/AIDS epidemic. The Company's results may be adversely affected by the loss of productivity and increased costs arising from any effect of HIV/AIDS on the Company's workforce.

- **Nigerian withholding tax:** There is a risk that Nigerian taxation authorities may assess withholding tax on a variety of off-shore payments made by the Company to the providers of services undertaken in Nigeria. Advice received by the Company is that the assessment of withholding tax to the Company in these circumstances is unlikely, as primary liability for Nigerian taxation on service provided in Nigeria rests with the service provider. However, there remains a possibility that if the service provider has not met its Nigerian taxation obligations and does not have a representative in Nigeria, Nigerian taxation authorities may attempt to appoint the Company as the agent of the service provider and assess

withholding tax. At this point in time, the Company considers that the risk of such an assessment is low and is not in a position to estimate the amount of any future assessment, if one were to be made.

- **Reliance on key personnel:** The Company has engaged and has entered into agreements with Directors and consultants (**Key Management Personnel**). The Company's success will depend to a significant extent upon those Key Management Personnel and the loss of the services of any or all of such personnel could have an adverse effect on the Company.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in Section 6 of this Prospectus before deciding whether to apply for Shares pursuant to this Prospectus.

2. **CORPORATE DIRECTORY**

Directors

Dr Ian Burston

Non-Executive Chairman

Kevin Joseph

Executive Director

Nathan Taylor

Non-Executive Director

Don Carroll

Non-Executive Director

Brian King

Non-Executive Director

Giuseppe (Joe) Ariti

Non-Executive Director

Registered Office

13 Colin Street
WEST PERTH WA 6005

Telephone: + 61 8 9200 3456
Facsimile: +61 8 9200 3455

Email: info@energjo.net.au
Website: <http://www.energjo.net.au>

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

ASX Code

Shares: EIO
Listed options: EIOO

3. DETAILS OF THE OFFER

3.1 Offer

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 1,000 Shares at an issue price of \$0.28 per Share payable in full on application.

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties. All recipients of the Shares under the Offer will be investors who do not require a disclosure document under Section 708 of the Corporations Act.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date.

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

3.2 Opening and Closing Dates of the Offer

The Opening Date of the Offer will be 20 November 2012 and the Closing Date will be 5 December 2012 at 5:00pm WST.

The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

3.3 Application for Shares

Applications for Shares must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.28 per Share.

Completed Application Forms and accompanying cheques must be mailed or delivered to the Company as follows:

Delivery by hand	Delivery by post
Energio Limited 13 Colin Street WEST PERTH WA 6005	Energio Limited PO Box 1934 WEST PERTH WA 6872

Cheques should be made payable to "**Energio Limited – Share Offer Account**" and crossed "**Not Negotiable**". Completed Application Forms and cheques must reach the address set out above by no later than the Closing Date.

3.4 Minimum subscription

There is no minimum subscription in respect of the Offer.

3.5 Allotment of Shares

Allotment of Shares will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until allotment. This account will be established and the application moneys will be kept by the Company in trust for each Applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place and each Applicant waives the right to claim any interest.

The Directors will determine the allottees of all the Shares. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for.

Where the number of Shares allotted is less than the number applied for, the surplus moneys will be returned by cheque as soon as practicable after the Closing Date. Where no allotment is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

3.6 Underwriter

The Offer is not underwritten.

3.7 ASX Listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application moneys for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.8 Restrictions on the Distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES for those investors who have a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with separate statements (similar to a bank account statement) that set out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.10 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the *Corporations Act* and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

3.11 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary, Mr Shane Volk, on +61 8 9200 3456.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus).

Under the Offer, an amount of approximately \$280 (before expenses) will be raised. All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 4.3 of this Prospectus for further details relating to the estimated expenses of the Offer.

4.2 Effect of the Offer on Capital Structure

The effect of the Offer on the Company's capital structure is set out below.

Shares	Number
Shares currently on issue	239,826,983
Shares offered under this Prospectus	1,000
Shares issued pursuant to the Placement ¹	7,857,143
Total Shares on issue on completion of the Offer and Placement²	247,685,126
Unlisted Options	
Unlisted Options exercisable at \$12.50 on or before 31 December 2012 currently on issue	20,000
Unlisted Options exercisable at \$0.20 on or before 30 November 2013 currently on issue	15,020,002
Unlisted Options offered under this Prospectus	Nil
Listed Options	Number
Listed Options exercisable at \$10.00 on or before 31 March 2013 currently on issue	1,497,327
Listed Options offered under this Prospectus	Nil

Notes:

1. The Company proposes to issue 7,857,143 Shares at an issue price of \$0.28 per Share prior to the Closing Date, to raise \$2,200,000 before expenses (**Placement**).
2. Assumes the Offer is fully subscribed and no existing Options are exercised.

4.3 Financial Effect of the Offer

After paying for the expenses of the Offer of approximately \$20,821, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$280) will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position, being receipt of funds of \$280 less expenses of the Offer of \$20,821.

4.4 Pro-forma balance sheet

The unaudited balance sheet as at 31 October 2012 and the unaudited pro-forma balance sheet as at 31 October 2012 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming the Placement has been completed and no Options are exercised prior to the Record Date and including expenses of the Offer and the Placement.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Consolidated Balance Sheet and Pro Forma Balance Sheet as at 31 October 2012 (unaudited)

	31 October 2012 Actual \$	31 October 2012 Pro-forma \$
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	1,857,549	3,912,349
Trade and other receivables	186,717	186,717
Total current assets	2,044,266	4,099,066
Non-current assets		
Property, plant and equipment	316,428	316,428
Exploration and evaluation	51,725,256	51,725,256
Total non-current assets	52,041,684	52,041,684
Total assets	54,085,950	56,140,750
<u>LIABILITIES</u>		
Current liabilities		
Trade and other payables	19,152	19,152
Provisions	-	-
Total current liabilities	19,152	19,152
Non-current liabilities		
Deferred tax liability	14,100,000	14,100,000
Total non-current liabilities	14,100,000	14,100,000
Total liabilities	14,119,152	14,119,152
Net assets	39,966,798	42,021,598
<u>EQUITY</u>		
Issued capital	53,255,557	55,310,357
Reserves	4,490,245	4,490,245
Accumulated losses	(17,779,004)	(17,779,004)
Total equity	39,966,798	42,021,598

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) **Meetings and Notices**

Each Shareholder is entitled to receive notices of meetings. The failure of a Shareholder to receive a notice of meeting does not invalidate the proceedings, or any resolution passed at, any such meeting. No business may be transacted at any meeting of Shareholders unless a quorum of Shareholders is present. Shareholders may attend a general meeting at which the Shareholder is entitled to be present in person, by proxy, by attorney or, in the case of a Shareholder which is a body corporate, by a corporate representative.

(b) **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares whether by the terms of their issue, the Constitution, the Corporations Act or the ASX Listing Rules, at a general meeting of the Company every Shareholder present in person or by a representative or attorney has one vote on a show of hands and every such Shareholder present in person or by a representative, proxy or attorney has one vote per fully paid Share on a poll.

Where there are two or more joint holders of the Shares and more than one of them is present at a meeting and tenders a vote in respect of the Share (whether in person or by proxy or attorney), the Company will count only the vote cast by the member whose name appears before the other(s) in the Company's register of Shareholders.

(c) **Dividend Rights**

Subject to any rights or restrictions attaching to a class of shares, the Company may pay dividends as the Directors resolve. The Directors may fix the time for payment and the method of distribution.

(d) **Transfer of Shares**

Subject to the Constitution, a member may transfer one or more Shares they hold by:

- (i) a proper ASX Settlement transfer;
- (ii) an instrument of transfer in compliance with the Constitution; or
- (iii) any other method permitted by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

The Company may decline to register a transfer of Shares were permitted to do so under the provisions of the Constitution, the Corporations Act and the ASX Listing Rules. If the Directors decline to register a transfer, the Company must, within 5 Business Days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for refusal. The Directors must decline to register a transfer of shares when required by the Corporations Act, by the ASX Listing Rules or by the ASX Settlement Operating Rules.

(e) **Future Issues**

Subject to the Constitution, the applicable law and the ASX Listing Rules, the Directors may allot, issue or grant options over, or otherwise deal with the unissued shares in the Company at the times and on the terms and conditions that the Directors think proper and a share may be issued with preferential, deferred, qualified or special rights, privileges or conditions or restrictions.

(f) **Alteration of Constitution**

The Constitution can only be amended by a special resolution (that is, a resolution that has been passed by at least three-quarters of the votes cast by shareholders entitled to vote on the resolution). While the Company is listed, at least 28 days written notice of the special resolution must be given.

(g) **Variation of Rights**

The Company may only modify or vary the rights attaching to any Shares with the prior approval by a special resolution passed at a separate meeting of the holders of shares of that class or with the written consent of the holders of at least three-quarters of the issued Shares of the affected class.

(h) **Directors**

The minimum number of Directors is three and the maximum is nine. Currently there are six Directors. Directors must retire on rotational basis so that one-third of Directors must retire at each annual general meeting. Any other Director who has been in office for three or more years must also retire. The Directors may appoint a Director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next annual general meeting.

(i) **Officers' Indemnity**

To the extent permitted by the law, the Company must indemnify each officer (including a Director, auditor and agent of the Company) against any liability which that officer may incur by reason of being an officer or in carrying out the business or exercising the powers of the Company.

6. RISK FACTORS

6.1 Introduction

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, along with the risks set out in section 1 of this Prospectus, represents some of the major risk factors which prospective investors need to be aware of in evaluating the Company's business and risks of commencing or increasing your investment in the Company. Prospective investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

6.2 Company Specific Risks

Refer to section 1 of this Prospectus.

6.3 Mineral Industry Risks

(a) Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for iron ore, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(b) Labour Risk

The Company's operations may be adversely affected by labour disputes or changes in Nigerian labour laws. With the exception of employees classified as essential - members of the armed services, the police force, fire-fighters, Central Bank employees, and customs and excise staff - Nigerian workers may form or join trade or labour unions. They may also strike to obtain improved working conditions and benefits and bargain collectively for higher wages.

Strikes or industrial actions by workers tend to be frequent in Nigeria. Although plagued by leadership struggles, ideological differences and regional ethnic conflicts, the Nigerian Labor Congress has been able to organize or threaten nationwide workers' strikes, demanding the retention of government subsidies on petroleum products, minimum wages, and improved working conditions.

(c) **Joint Venture Parties, Agents and Contractors**

The Directors are unable to predict the risk of financial failure or default by a participant in any earn-in agreement or joint venture to which the Company may become a party or the insolvency or managerial failure by any of the contractors to be used in future by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers to be used in future by the Company for any activity.

(d) **Water Supply**

Water supply for the Company's projects, and any future projects, will be sourced from individual locations. The Company will be required to apply for and obtain water use licences from the relevant governmental authorities. The process for obtaining a water use licence is a lengthy one and the Company's operations may be adversely affected in the event that the relevant licences are not obtained in a timely manner. An inadequate water supply would negatively affect the project and any future projects.

6.4 General Risks

In addition to the specific risks outlined above, there are general risks associated with the Company's existing and proposed business operations.

The value of the Company's Shares is affected by a number of general factors which are beyond the Company's or the Board's control.

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, local and international economic conditions and general investor sentiment.

(a) **Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

(b) **Market Conditions**

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Exploration**

Mineral exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project, there is no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource.

(d) **Reliance on Key Personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(e) **Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Additional Funding Requirements and Update

Prior to the Closing Date, the Company proposes to issue 7,857,143 Shares at an issue price of \$0.28 per Share prior to the Closing Date pursuant to the Placement, to raise \$2,200,000 before expenses.

Funds raised under the Placement will be used for exploration and studies at the Company's Agbaja Project and for working capital purposes.

Shares will be issued under the Placement to investors who do not require a disclosure document under Section 708 of the Corporations Act, none of whom will be related parties of the Company.

All Shares issued under the Placement will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. Shares issued under the Placement will fall within the Company's annual issuing capacity under ASX Listing Rule 7.1.

7.2 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in Section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2012 Annual Report:

7.3 Announcements

Date	Description of Announcement
14/11/2012	\$2.2 million placement to sophisticated investors
12/11/2012	Trading Halt
06/11/2012	Drilling and Metallurgical Update
02/11/2012	Appendix 3B
30/10/2012	Quarterly Activities Report and Appendix 5B
26/10/2012	Notice of Annual General Meeting/Proxy Form

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

7.4 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;

- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or Director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offer.

The Directors' relevant interests in the Company's securities as at the date of this Prospectus and remuneration payable for the current and the last two financial years (including share based payments) is set out below:

Name	Shares	Options	Remuneration FY 11	Remuneration FY 12	Current financial year
Ian Burston	1,000,000	-	\$18,000	\$98,405	\$100,000
Kevin Joseph	-	-	\$18,000	\$291,771	US\$300,000
Nathan Taylor	3,100,000	2,000,000	\$397,535 ¹	\$51,000	\$60,000
Don Carroll	2,000,000	2,000,000	\$1,289,520 ²	\$48,000	\$60,000
Brian King ³	280,000	-	-	\$177,502	\$60,000
Giuseppe (Joe) Arifi ⁴	600,000	-	-	\$12,000	\$60,000

Notes:

1. Consisted of share based payments valued at \$355,535 and Director fees of \$42,000.
2. Consisted of share based payments valued at \$1,268,520 and Director fees of \$21,000.
3. Brian King was appointed a Director 29 February 2012.
4. Giuseppe (Joe) Arifi was appointed a Director 19 April 2012.

The Constitution of the Company provides that the Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting. The current amount has been set at an amount not to exceed \$500,000 per annum.

Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

7.5 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer and associated due diligence process. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid approximately \$445,362 (excluding GST) for legal services provided to the Company.

7.6 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given and has not withdrawn its consent to be named as the solicitors to the Company in this Prospectus, in the form and context in which it is named. Steinepreis Paganin has not caused or authorised the issue of this Prospectus, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

7.7 Estimated Expenses of Offer

The total expenses of the Offer are estimated to be approximately \$20,821 as follows:

Expense	(\$)
ASIC fees	2,171
ASX fees	1,650
Legal expenses	15,000
Miscellaneous, printing and other expenses	2,000
Total	20,821

7.8 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.385 on 7 November 2012

Lowest: \$0.12 on 4 September 2012

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.33 on 19 November 2012.

7.9 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 9200 3456 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

7.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Signed for and on behalf of:

A handwritten signature in black ink, appearing to read 'Ian Burston'.

Ian Burston
Non-Executive Chairman
For and on behalf of Energio Limited

9. **DEFINITIONS**

\$ means Australian dollars.

Agbaja Project means the Company's Agbaja Project, located in Nigeria.

Applicant means an investor who applies for Shares pursuant to the Offer.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the date specified in the timetable in section 1 of this Prospectus (unless extended).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Energio or **Company** means Energio Limited (ACN 001 894 033).

Offer means the offer of Shares referred to in the "Details of the Offer" section of this Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offer as specified in the timetable set out in section 1 of this Prospectus (unless extended).

Option means an option to acquire a Share.

Placement means the Company's proposed issue of 7,857,143 Shares to sophisticated and professional investors at an issue price of \$0.28 per Share, prior to the Closing Date.

Prospectus means this prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means western standard time as observed in Perth, Western Australia.

GUIDE TO THE APPLICATION FORM

- A. Application for Shares**
The Application Form must only be completed in accordance with instructions included in Prospectus.
- B. Name of Applicant**
Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected.
- C. Name of Joint Applicants or Account Designation**
If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.
- D. Address**
Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.
- E. Contact Details**
Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Application Form.
- F. CHESS HIN or existing SRN Details**
The Company participates in CHESS. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESS HIN. If the applicant is an existing shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.
- G. Cheque Details**
Make cheques payable to "Energio Limited – Share Offer Account" in Australian currency and cross them "Not Negotiable". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Application Form.
- H. Declaration**
This Application Form does not need to be signed. By lodging this Application Form and a cheque for the application money this Applicant hereby:
- (1) applies for the number of Shares specified in the Application Form or such lesser number as may be allocated by the Directors;
 - (2) agrees to be bound by the constitution of the Company;
 - (3) authorises the Directors of the Company to complete or amend this Application Form where necessary to correct any errors or omissions;
 - (4) acknowledges that he/she has received a copy of the Prospectus attached to this Application Form or a copy of the Application Form before applying for the Shares; and
 - (5) acknowledges that he/she will not provide another person with this Application Form unless it is attached to or accompanied by the Prospectus.

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname are required for each natural person. Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund